

Lansing Testimony – House Bill 4909

Good morning. Chairman Farrington thanks you for allowing me to address your committee members and provide testimony regarding support of House Bill 4909 and support of Senate Bill 524. I am currently the Superintendent for Van Buren Intermediate School District located in Lawrence, which is 25 miles west of Kalamazoo, one mile north of the I-94 highway system. I started in the education business 26 years ago as a Director of Finance. Ten years ago I became the Superintendent of VBISD. We provide services to 12 local school systems ranging in size of approximately 30 students in a K-8 district to 3,800 K-12 students in Mattawan Consolidated School District. The area is very rural and encompasses 725 square miles, with two school systems located on Lake Michigan, Covert Public and South Haven Public Schools.

I am here representing the Michigan Association of Intermediate School Administrators (MAISA) organization and as a concerned School District Superintendent regarding these "dark store" tax assessment transactions. Anytime the valuation of property decreases it impacts the following millages that either have a direct or indirect impact on school systems and potential loss of funding attributable to this valuation decrease:

- 1) The six mills levied on all property in Michigan (State Education Tax)
- 2) The 18 mills levied on non-homestead property owners.
- 3) Sinking fund millages
- 4) School bond indebtedness
- 5) Enhancement millages levied by ISD's / RESA's
- 6) Potential "recreational millages"
- 6) Other millages levied by ISD's / RESA's: Career Tech. Millage, Special Education millage and General fund millage.

At Van Buren I.S.D. we operate a \$50 million budget and levy millages for General fund services, Special Education services and Career Technical Education programs. These millages are levied on all property

within our service delivery area and equate to approximately \$22,000,000 or almost 50% of our revenue stream.

Why I am concerned and other ISD's / RESA's in the state, is that these "dark store" tax assessments taking place across the state, are another hit on revenues supporting the numerous programs that are offered by these entities. It also feels that these companies have found another way to challenge smaller local units of governments with high powered attorney's / appraisers so these local units accept a reduced valuation because of potential litigation costs and time if they want to challenge. At Van Buren ISD, the largest program area that we offer is Special Education services. Every \$1,000,000 lost in valuation equates to \$3,332 in lost special education revenue to our organization. As I continued to adjust to revenue changes, every dollar lost is a potential reduction in services provided to these students. In addition, I have been through the process of litigation of taxable valuations for two large companies in Van Buren County and the price tag is not cheap, especially when you have to hire "experts" who have knowledge of these companies and appraisers that are trained in these areas. I ask this committee to support House bill 4909 so school systems have some stability in revenues received from one year to the next. In addition, we would see savings in not having to hire attorneys to challenge these questionable valuations. As companies try to find ways to "cut costs" I feel that this valuation method only hurts school systems across the state that are trying to provide future educational opportunities for Michigan's most precious gifts – our children.